

STATE OF LOUISIANA LEGISLATIVE AUDITOR

**Public Safety Services
Department of Public Safety and Corrections
Parish Municipal Motor Vehicle
Sales and Use Tax Escrow Fund
State of Louisiana
Baton Rouge, Louisiana**

June 25, 1997



Financial and Compliance Audit Division

***Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor***

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**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**Financial Statements and Independent Auditor's Reports
As of December 31, 1996, and for the Period from
January 1, 1996, through December 31, 1996
With Supplemental Information Schedule**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

June 25, 1997

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA**

Financial Statements and Independent Auditor's Reports
As of December 31, 1996, and for the Period from
January 1, 1996, through December 31, 1996
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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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May 28, 1997

Independent Auditor's Report
on the Financial Statements

COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund, an agency fund within the Louisiana Department of Public Safety and Corrections, Public Safety Services, as of December 31, 1996, and the related statement of collections, distributions, and unsettled balances for the period from January 1, 1996, through December 31, 1996, as listed in the foregoing table of contents. These financial statements are the responsibility of management of Public Safety Services. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, the director of Public Safety Services serves as collector and distributor of parish and municipal motor vehicle sales and use taxes. As such, the accompanying statements present information only on the activities of the collector of motor vehicle sales and use taxes included in the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund, an agency fund within the Louisiana Department of Public Safety and Corrections, Public Safety Services. Furthermore, the accompanying statements have been prepared on the basis of cash receipts and cash disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

LEGISLATIVE AUDITOR

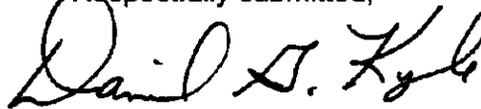
**COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Audit Report, December 31, 1996**

In our opinion, the accompanying financial statements referred to previously present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund of Public Safety Services as of December 31, 1996, and the collections, distributions, and unsettled balances of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund for the period from January 1, 1996, through December 31, 1996, on the cash basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 28, 1997, on our consideration of the Parish and Municipal Sales and Use Tax Escrow Fund's internal control structure and a report dated May 28, 1997, on compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the accompanying financial statements. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund of Public Safety Services. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MCF:MWB:dl

[VEHTAX]

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA**

**Statement of Assets and Liabilities Arising
from Cash Transactions, December 31, 1996**

ASSETS

Cash (note 2)

\$20,955,716

LIABILITIES

Due to taxing bodies and others

\$20,955,716

The accompanying notes are an integral part of this statement.

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**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA**

**Statement of Collections, Distributions,
and Unsettled Balances
For the Period from January 1, 1996,
through December 31, 1996**

UNSETTLED BALANCES AT JANUARY 1, 1996	\$16,996,430
COLLECTIONS	261,108,185
DISTRIBUTIONS (Schedule 1)	<u>257,148,899</u>
UNSETTLED BALANCES AT DECEMBER 31, 1996, DUE TO TAXING BODIES AND OTHERS	<u><u>\$20,955,716</u></u>

The accompanying notes are an integral part of this statement.

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
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SALES AND USE TAX ESCROW FUND
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Notes to the Financial Statements
As of December 31, 1996, and for the Period from
January 1, 1996, through December 31, 1996

INTRODUCTION

As provided by Louisiana Revised Statute (R.S.) 47:531, the director of Public Safety Services is designated as vehicle commissioner of the state. The vehicle commissioner is responsible for the collection and distribution of parish and municipal motor vehicle sales and use taxes, as well as the administration and enforcement of the "Vehicle Registration License Tax" under the provisions of Chapter 4 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund is established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting with collections recognized when received and distributions reflected when paid. As such, the accompanying financial statements do not reflect the receivables and related payables associated with tax collection activities.

B. REPORTING ENTITY

R.S. 47:303(B)(3)(b)(iii) requires the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund to be audited annually. Accordingly, the accompanying financial statements reflect financial activity of Public Safety Services relating only to the vehicle commissioner's responsibility as collector and distributor of parish and municipal motor vehicle sales and use taxes. Amounts included in these financial statements are also included in the Department of Public Safety and Corrections, Public Safety Services' annual fiscal report.

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
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PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Notes to the Financial Statements (Concluded)**

2. CASH

At December 31, 1996, the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund has cash (book balance) totaling \$20,955,716. State law requires that all collections be deposited in the state treasury. Cash balances held and controlled by the state treasurer are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by generally accepted accounting principles are included within the state's general purpose financial statements.

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
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PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Period from January 1, 1996, to December 31, 1996**

SCHEDULE OF DISTRIBUTIONS

Schedule 1 reflects the distributions of parish and municipal motor vehicle sales and use taxes to the various taxing authorities during the period from January 1, 1996, to December 31, 1996.

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**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA**

**Schedule of Distributions
For the Period from January 1, 1996,
to December 31, 1996**

TAXING AUTHORITY

Public Safety Services - collection costs	\$2,571,272
Office of Legislative Auditor	22,638
Acadia Parish:	
Acadia Parish School Board	793,997
Acadia Parish Police Jury	793,998
City of Crowley	254,301
Town of Church Point	50,994
Village of Estherwood	4,953
Town of Iota	30,452
Village of Morse	8,881
City of Rayne	136,642
Village of Mermentau	5,849
City of Eunice	16,518
Allen Parish:	
Allen Parish Sales and Use Tax	650,714
Allen Parish School Board and Police Jury	227,749
City of Oakdale	76,385
Town of Oberlin	29,651
Town of Elizabeth	7,195
Town of Kinder	29,141
Ascension Parish:	
Ascension Parish School Board	2,600,075
Ascension Parish Police Jury	982,481
Ascension Parish Sales Tax District No. 2	491,240
City of Donaldsonville	141,502
City of Gonzales	313,487
West Ascension Hospital Service District	72,911
East Ascension Drainage District No. 1	577,978
Town of Sorrento	28,454

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**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Assumption Parish:

Assumption Parish School Board	\$764,170
Assumption Parish Police Jury	305,667
Assumption Parish Road and Drainage District	288,703
Village of Napoleonville	16,963

Avoyelles Parish:

Avoyelles Parish School Board	754,334
Avoyelles Parish Police Jury	502,890
Avoyelles Law Enforcement District	251,443
Town of Cottonport	18,514
City of Bunkie	67,462
Village of Plaquemine	2,626
Village of Moreauville	9,779
City of Marksville	77,526
Town of Simmesport	23,558
Town of Mansura	10,421

Beauregard Parish:

Beauregard Parish School Board	970,874
Beauregard Parish Police Jury	734,207
Beauregard Parish Law Enforcement District	122,313
City of DeRidder	229,100
Town of Merryville	22,864

Bienville Parish:

Bienville Parish School Board	472,175
Bienville Parish Police Jury	236,086
Town of Ringgold	28,799
Town of Arcadia	64,704
Town of Gibsland	19,567
Village of Castor	5,456

Bossier Parish:

Bossier Parish School Board	2,530,073
Bossier Parish Police Jury	897,072
City of Bossier City	2,399,494
Town of Plain Dealing	47,116

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**PUBLIC SAFETY SERVICES
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STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Bossier Parish: (Cont.)

Town of Benton	\$95,543
Town of Haughton	157,679
City of Shreveport	9,058

Caddo Parish:

Caddo Parish School Board	5,580,744
Caddo Parish Sales Tax District No. 1	1,137,302
Caddo Parish Law Enforcement District	927,607
Town of Oil City	12,731
Town of Vivian	93,558
City of Shreveport	7,290,868
Town of Mooringsport	15,718
Town of Greenwood	32,623
Village of Rodessa	2,475

Calcasieu Parish:

Calcasieu Parish School Board	4,335,331
Calcasieu Law Enforcement District	722,533
Calcasieu Parish Sales Tax District No. 1	1,453,504
Calcasieu Parish Sales Tax District No. 2	1,445,070
City of Lake Charles	2,078,366
City of Sulphur	841,949
Town of Iowa	62,847
City of DeQuincy	104,005
City of Westlake	196,807
Town of Vinton	88,763
Calcasieu Parish School Board Tax	494,019
Calcasieu Parish Police Jury Tax	1,690,261

Caldwell Parish:

Caldwell Parish School Board	170,961
Caldwell Parish Police Jury	502,002
Town of Columbia	10,884

Catahoula Parish:

Catahoula Parish School Board	309,741
Catahoula Parish Police Jury	309,741

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**PUBLIC SAFETY SERVICES
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STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Claiborne Parish:	
Claiborne Parish School Board	\$232,727
Claiborne Parish School Board - Police Jury	15,344
Town of Haynesville	69,829
Town of Homer	81,028
Village of Junction City	1,810
Concordia Parish:	
Concordia Parish School Board	560,723
Concordia Parish Police Jury	185,443
Concordia Parish Hospital	70,097
Town of Vidalia	92,645
Town of Ferriday	58,073
DeSoto Parish:	
DeSoto Parish School Board	816,848
DeSoto Parish Police Jury	408,424
Town of Logansport	18,115
City of Mansfield	72,379
Town of Stonewall	22,840
East Baton Rouge Parish:	
East Baton Rouge Parish	2,546,561
East Baton Rouge Parish School Board	6,834,728
East Baton Rouge Parish Sewer District	3,417,361
East Baton Rouge Parish Streets	3,417,361
City of Baton Rouge	10,200,476
City of Baker	495,938
City of Zachary	426,460
East Carroll Parish:	
East Carroll Parish School Board	203,911
East Carroll Parish Police Jury	101,965
Town of Lake Providence	37,710
East Feliciana Parish - East Feliciana Parish School Board and Police Jury	
	1,240,245

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Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Evangeline Parish:

Evangeline Parish School Board - Tax Department	\$415,130
Evangeline Parish School Board - Waste Tax	387,647
Town of Ville Platte	105,933
Town of Basile	25,835
Town of Mamou	55,119
Village of Pine Prairie	13,674
Village of Chataignier	4,076

Franklin Parish:

Franklin Parish School Board	441,222
Franklin Parish Police Jury	441,222
Franklin Parish Law Enforcement District	294,147
Town of Winnsboro	43,701
Town of Wisner	15,572
Village of Gilbert	8,797

Grant Parish:

Grant Parish School Board	253,667
Grant Parish Police Jury	253,667
Grant Parish Law Enforcement	253,669
Town of Colfax	18,968
Town of Pollock	5,284
Village of Georgetown	2,447

Iberia Parish:

Iberia Parish School Board	2,014,426
Iberia Parish Council	272,955
Iberia Parish Council District No. 2	156,736
Iberia Parish Council - Mosquito District	251,810
Town of Delcambre	6,153
City of New Iberia	665,326
City of Jeanerette	96,673
Village of Loreauville	15,716

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TAXING AUTHORITY (CONT.)

Iberville Parish:

Iberville Parish Police Jury	\$480,928
Iberville Parish School Board	798,317
Iberville Parish Police Jury - General Fund	317,387
Iberville Parish Solid Waste	158,700
Town of St. Gabriel	202

Jackson Parish:

Jackson Parish School Board	502,900
Jackson Parish Police Jury	137,189
Jackson Parish Sales Tax	34,920
Town of Jonesboro	93,867
Village of Hodge	10,214
Village of East Hodge	359
Village of North Hodge	1,610
Town of Eros	1,706

Jefferson Parish:

Jefferson Parish Council	24,328,456
Jefferson Parish School Board	12,164,226
Jefferson Parish Law Enforcement District	2,027,369

Jefferson Davis Parish:

Jefferson Davis Parish School Board	899,815
Town of Welsh	64,637
Town of Elton	27,913
City of Jennings	248,735
Town of Lake Arthur	72,629
Town of Fenton	3,229

Lafayette Parish:

Lafayette Parish School Board - Tax Division	3,480,700
Lafayette Parish School Board - Bonds	1,740,349
City of Lafayette	3,856,186
Town of Duson	74,036
City of Carencro	153,112
Town of Youngsville	90,497
Town of Scott	181,969

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**PUBLIC SAFETY SERVICES
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STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)**Lafayette Parish: (Cont.)**

Lafayette Parish Police Jury	\$1,141,542
Town of Broussard	205,974

Lafourche Parish:

Lafourche Parish School Board	2,608,973
Lafourche Parish School Board - Solid Waste	1,108,855
Lafourche Parish Sales Tax District	526,688
City of Thibodaux	362,797
Town of Lockport	41,813
Town of Golden Meadow	28,176

LaSalle Parish:

LaSalle Parish School Board	531,204
Town of Jena	34,725
Town of Olla	15,691

Lincoln Parish:

Lincoln Parish School Board	854,493
Lincoln Parish Police Jury	427,246
City of Ruston	386,233
Town of Dubach	10,708
Town of Grambling	48,812

Livingston Parish:

Livingston Parish School Board - Sales Tax	3,091,702
Livingston Parish School Board - Law Enforcement	772,923
Livingston Parish School Board - Special Sales Tax	718,380
City of Denham Springs	324,084
Town of Livingston	28,937
Town of Walker	98,391
Village of Albany	10,585
Town of Springfield	10,701
Livingston Parish Gravity Drainage District No. 1	88,059
Livingston Parish Gravity Drainage District No. 5	65,187

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Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Madison Parish:

Madison Parish Sales Tax Fund	\$269,483
Madison Parish Police Jury	89,836
City of Tallulah	177,602
Village of Richmond	8,823

Morehouse Parish:

Morehouse Parish School Board	650,049
Morehouse Parish Police Jury	216,682
Morehouse Law Enforcement District	216,682
City of Bastrop	229,190
Village of Mer Rouge	19,941
Village of Bonita	3,032
Village of Collinston	2,992

Natchitoches Parish:

Natchitoches Parish School Board	642,534
Natchitoches Parish Police Jury	380,026
City of Natchitoches	413,909
Town of Campti	12,277
Village of Robeline	2,744
Village of Clarence	3,095
Village of Natchez	2,622

Orleans Parish:

Orleans Parish School Board	6,453,176
City of New Orleans	10,755,225
New Orleans Regional Transit Authority	4,302,116

Ouachita Parish:

Ouachita Parish-Monroe City Schools	1,899,427
Ouachita Parish Police Jury	1,351,021
Ouachita Parish Fire Protection	882,699
Ouachita Parish School Board	1,563,474
City of Monroe	2,682,843
City of West Monroe	538,228
Town of Sterlington	16,887
Town of Richwood	3,701

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**PUBLIC SAFETY SERVICES
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TAXING AUTHORITY (CONT.)

Plaquemines Parish:	
Plaquemines Parish School Board	\$538,112
Plaquemines Parish Council	1,076,226
Pointe Coupee Parish:	
Pointe Coupee Parish School Board	362,238
Pointe Coupee Parish Sales Tax Fund	543,359
City of New Roads	62,840
Village of Morganza	9,569
Town of Livonia	19,413
Village of Fordoche	12,692
Rapides Parish:	
Rapides Parish Sales Tax Fund	1,920,026
Rapides Parish Sales Tax District	599,140
Rapides Parish School Board	1,920,027
Rapides Parish (City) Sales Tax	1,039,622
Rapides Parish (Pineville)	404,004
City of Glenmora	22,116
Town of Lecompte	17,976
Rapides Sales Tax - Ball	25,389
Rapides Sales Tax - Boyce	11,694
Red River Parish:	
Red River Parish School Board	258,573
Red River Parish Police Jury	129,285
Red River Parish Law Enforcement District	129,285
Town of Coushatta	22,014
Village of Hall Summit	1,717
Richland Parish:	
Richland Parish School Board	406,522
Richland Parish Police Jury	406,522
Richland Parish Law Enforcement District	135,506
Town of Rayville	48,600
Town of Mangham	5,622
Town of Delhi	46,314

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STATE OF LOUISIANA
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TAXING AUTHORITY (CONT.)

Sabine Parish:

Sabine Parish School Board	\$425,058
Sabine Parish Police Jury	425,058
Sabine Law Enforcement District	106,275
Town of Many	38,679
Town of Pleasant Hill	7,565
Village of Florien	8,003
Town of Zwolle	26,386
Village of Converse	7,377

St. Bernard Parish:

St. Bernard Parish Sales Tax Department	3,065,676
St. Bernard Parish Police Jury	437,951
St. Bernard Law Enforcement District	437,951

St. Charles Parish:

St. Charles Parish School Board	1,602,159
St. Charles Parish Council	1,602,159

St. Helena Parish:

St. Helena Parish School Board	133,563
St. Helena Parish Police Jury	267,130
Town of Greensburg	17,100

St. James Parish:

St. James Parish School Board	657,968
St. James Parish Council - Gramercy	285,496
St. James Parish Council - Lutcher	16,959
St. James Parish Council	26,531

St. John the Baptist Parish:

St. John the Baptist Parish	1,176,362
St. John the Baptist Parish Council	588,180
St. John the Baptist Sewerage District	588,180

St. Landry Parish:

St. Landry Parish School Board	1,033,830
St. Landry Parish Solid Waste Commission	827,063
City of Opelousas	250,080
Town of Arnaudville	23,939

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STATE OF LOUISIANA
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TAXING AUTHORITY (CONT.)

St. Landry Parish: (Cont.)

City of Eunice	\$199,609
Town of Sunset	24,066
Town of Port Barre	35,556
Village of Cankton	4,222
Town of Grand Couteau	7,003
Town of Krotz Springs	20,292
Town of Washington	11,822
Town of Melville	22,442

St. Martin Parish:

St. Martin Parish School Board	1,309,345
Town of Arnaudville	6,521
City of Breaux Bridge	98,489
Town of Henderson	4,973
City of St. Martinville	65,792
Village of Parks	7,654

St. Mary Parish:

St. Mary Parish Police Jury	1,519,518
St. Mary Parish School Board	1,259,030
Morgan City	76,457
St. Mary Parish - Wards 5 and 8	60,636
St. Mary Parish - Wards 1, 2, 3, 4, 7, and 10	80,117
St. Mary Parish Sales - Wards 6 and 9	17,639

St. Tammany Parish:

St. Tammany Parish School Board	6,315,705
St. Tammany Parish Council	3,927,174
St. Tammany Parish Law Enforcement District	789,461
City of Covington	397,586
Town of Abita Springs	49,122
Village of Folsom	55,716
Town of Madisonville	42,404
City of Mandeville	791,870
Town of Pearl River	67,616

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**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

St. Tammany Parish: (Cont.)

City of Slidell	\$1,150,703
Village of Sun	3,700
Tangipahoa Parish:	
Tangipahoa Parish School Board and Council	2,885,351
Tangipahoa Parish Sales and Use Taxes	1,442,491
Town of Amite City	82,388
City of Hammond	402,411
Town of Independence	42,594
City of Ponchatoula	132,319
Town of Roseland	21,327
Town of Kentwood	52,886
Village of Tangipahoa	7,571
Village of Tickfaw	19,740
Tensas Parish:	
Tensas Parish School Board	77,428
Tensas Parish Police Jury	174,191
Tensas Parish Law Enforcement District	19,357
Town of Newellton	11,139
Town of St. Joseph	8,285
Terrebonne Parish:	
Terrebonne Parish - Sales Tax Fund 1 Percent	2,442,140
Terrebonne Parish - Sales Tax Fund 3/4 Percent	1,798,720
Terrebonne Parish - Sales Tax Fund 1/4 Percent	407,022
Terrebonne Parish Sales Tax Fund	407,021
Union Parish:	
Union Parish School Board	372,005
Union Parish Police Jury	372,005
Union Parish Law Enforcement District	186,001
Town of Farmerville	35,632
Town of Bernice	28,969
Town of Marion	9,462
Junction City	4,447

(Continued)

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**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Vermilion Parish:

Vermilion Parish School Board	\$741,095
Vermilion Parish Police Jury	1,111,644
Vermilion Parish Sheriff	185,271
City of Abbeville	120,417
Town of Delcambre	13,796
Town of Erath	27,107
City of Kaplan	56,732
Village of Maurice	15,696
Town of Gueydan	22,176

Vernon Parish:

Vernon Parish School Board	1,498,565
Vernon Parish Police Jury	1,123,923
City of Leesville	69,441
Town of Rosepine	10,697
Town of New Llano	20,771
Town of Hornbeck	3,209

Washington Parish:

Washington Parish School Board	667,895
Bogalusa School Board	331,830
Washington Parish Police Jury	473,283
Washington Law Enforcement District	301,663
Town of Franklinton	57,742
City of Bogalusa	390,240
Village of Angie	12,638
Village of Varnado	687

Webster Parish:

Webster Parish School Board	1,262,613
City of Minden	338,711
Cotton Valley	13,486
City of Springhill	194,581
Town of Cullen	22,234
Village of Sarepta	11,387

(Continued)

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Schedule of Distributions, 1996**

TAXING AUTHORITY (CONT.)

Webster Parish: (Cont.)

Town of Sibley	\$28,533
Village of Dixie Inn	4,147
West Baton Rouge Parish:	
West Baton Rouge Parish Police Jury	592,514
West Baton Rouge Parish School Board	395,008
West Baton Rouge Parish - Sales Tax District No. 1	395,008
West Baton Rouge Parish Fire District No. 1	197,503
West Carroll Parish:	
West Carroll Parish School Board	179,369
West Carroll Parish School Board and Police Jury	358,789
Town of Oak Grove	21,163
West Feliciana Parish:	
West Feliciana Parish School Board	304,963
West Feliciana Parish School Board and Police Jury	152,480
West Feliciana Parish School Board - Sales Tax District No. 1	110,126
Town of St. Francisville	42,802
Winn Parish:	
Winn Parish School Board	530,730
Winn Parish Police Jury	132,680
City of Winnfield	81,262
	<hr/>
Total Distributions	<u>\$257,148,899</u>

(Concluded)

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OTHER REPORTS REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.



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DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

May 28, 1997

Independent Auditor's Report on Internal Control Structure
Based Solely on an Audit of the Financial Statements

COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund, an agency fund within the Louisiana Department of Public Safety and Corrections, Public Safety Services, as of December 31, 1996, and the related statement of collections, distributions, and unsettled balances for the period from January 1, 1996, through December 31, 1996, and have issued our report thereon dated May 28, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Management of Public Safety Services is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

EXHIBIT A

LEGISLATIVE AUDITOR

**COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Internal Control Report
May 28, 1997
Page 2**

In planning and performing our audit of the financial statements of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Incomplete Vehicle Application Forms

For the seventh consecutive year, the Office of Motor Vehicles processed incomplete application forms for vehicle registration. The assessment and distribution of motor vehicle sales tax is based upon the domicile of the taxpayer purchasing the motor vehicle. The taxpayer's residence, including whether the taxpayer lives within the corporate limits of a municipality, determines the taxing authority entitled to the avails of the motor vehicle sales tax. Based on that information, the Office of Motor Vehicles assigns the domicile code for each parish and municipality. Our test of 232 items from a population of 854,922 applications processed during 1996, representing \$39,817 of \$262,210,294 in collections, disclosed a total of 51 incomplete vehicle application forms (22 percent) that were accepted and processed by the department.

The incomplete vehicle application forms, which may have been prepared by vehicle dealers, financial institutions, or Office of Motor Vehicles' operators, in most instances either failed to identify the taxpayer's residence as being inside or outside of the corporate limits of the municipality, failed to identify the taxpayer's parish of residence, or showed a post office box as the address with no reference to a physical address. When the application forms are not properly completed, employees of the department

LEGISLATIVE AUDITOR

COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
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PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Internal Control Report
May 28, 1997
Page 3

are not equipped with the necessary data needed to provide reasonable assurance that all domicile codes are assigned correctly. This increases the possibility that the taxes could be improperly assessed or distributed to the wrong taxing authority.

Incomplete vehicle application forms should be returned to the taxpayer, and fees should be held by the department in a suspense status until the form is properly completed by the taxpayer or his representative. Each taxing authority should be required to furnish the department with an updated list of streets within its boundaries to ensure proper domicile coding, a process which could be automated by the department. In a letter dated May 12, 1997, Mr. Thomas H. Normile, Undersecretary, concurred with the finding. Mr. Normile stated that the Office of Motor Vehicles has instructed its employees concerning the importance of examining the application for proper information, but pointed out that this office experiences a large turnover rate and it is not possible to have supervisory personnel examine every filed worked. He stated that the Office of Motor Vehicles would reinforce the existing policy.

Nonpayment of Local Taxes

The Office of Motor Vehicles, though not statutorily or administratively responsible for detecting the misrepresentations by taxpayers, has not taken reasonable precautions to determine that taxpayers are paying the correct amount of taxes to the correct taxing body. The assessment of motor vehicle sales tax is based upon the domicile of the taxpayer purchasing the motor vehicle. That domicile determines which taxing authority is entitled to the avails of the tax. Louisiana Revised Statute 47:301 states that the sale of a motor vehicle subject to the motor vehicle sales tax shall be considered sold in the political subdivision of the principal residence of the purchaser if purchased for private use, or in the political subdivision of the principal location of the business or where the vehicle is assigned, garaged, and used if purchased for commercial use.

As part of our audit tests, a sample of Cameron Parish transactions was examined, since it is the only parish in the state with no local sales tax. Cameron Parish is surrounded by the parishes of Acadia, Calcasieu, Jefferson Davis, and Vermilion, which have local tax rates ranging from 2 percent to 4 percent. Taxpayers who incorrectly report their domicile as Cameron Parish avoid paying local sales taxes, preventing the Office of Motor Vehicles, on behalf of the respective political subdivision, from collecting

LEGISLATIVE AUDITOR

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SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
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May 28, 1997
Page 4

and distributing the proper amount of the taxes. Our review of 102 of the 2,699 total transactions representing \$2,206,989 of the \$25,026,219 of the total taxable value of all Cameron Parish transactions disclosed the following:

- Four registration applications showed an address in Cameron Parish that differed from the address on the related driver's license, which was outside Cameron Parish.
- Four registration applications showed the driver's license address (outside Cameron Parish) as the primary address, but Motor Vehicle employees allowed the taxpayers to claim another address (in Cameron Parish) as the domicile for taxes.
- Two transactions showed only the driver's license address and this address was outside Cameron Parish.

We were able to confirm that all ten taxpayers above were residents of parishes other than Cameron and should have paid taxes to the following parishes: 5 to Calcasieu, 2 to Lafourche, 1 to Beauregard, 1 to Caddo, and 1 to St. Mary. These errors occurred because some employees incorrectly believed that motor homes, trailers, or boat trailers could claim the domicile where the vehicle was parked even if it was different from the owner's principal address.

Taxpayers who knowingly disclose inaccurate domiciliary information on motor vehicle applications to avoid the payment of taxes do so illegally, as does the person who knowingly processes the inaccurate application form. To improve the department's collection and distribution of parish and municipal sales and use tax, the department should verify that the address on the motor vehicle application corresponds to the address of the applicant's domicile. Any noted differences should be treated as any other error, and the evidence for any exceptions should be documented in the application file. In a letter dated May 12, 1997, Mr. Thomas H. Normile, Undersecretary, concurred with the finding. Mr. Normile stated that the practice of allowing taxpayers to register in another parish if the item being registered was domiciled in a parish other than the principle residence of the taxpayer was immediately stopped once the errors were noted by the auditor and the applicable statute researched by appropriate personnel.

EXHIBIT A

LEGISLATIVE AUDITOR

**COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Internal Control Report
May 28, 1997
Page 5**

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined previously. However, we believe that the reportable conditions described previously are not material weaknesses.

This report is intended for the information and use of Public Safety Services. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MCF:MWB:dl

[VEHTAX]



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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May 28, 1997

Independent Auditor's Report on Compliance With Laws and
Regulations Material to the Financial Statements

**COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Baton Rouge, Louisiana**

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund, an agency fund within the Louisiana Department of Public Safety and Corrections, Public Safety Services, as of December 31, 1996, and the related statement of collections, distributions, and unsettled balances for the period from January 1, 1996, through December 31, 1996, and have issued our report thereon dated May 28, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund is the responsibility of the department's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the department's compliance with certain provisions of laws and regulations. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

LEGISLATIVE AUDITOR

COLONEL WILLIAM R. WHITTINGTON
PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
PARISH AND MUNICIPAL MOTOR VEHICLE
SALES AND USE TAX ESCROW FUND
STATE OF LOUISIANA
Compliance Report
May 28, 1997
Page 2

This report is intended for the information and use of Public Safety Services. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

MCF:MWB:dl

[VEHTAX]



OFFICE OF
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DANIEL G. KYLE, PH.D., CPA, CFE
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June 25, 1997

LOUISIANA POLITICAL SUBDIVISION

In accordance with the provisions of Act 427 of 1991, the Office of Legislative Auditor conducted an audit of the motor vehicle sales and use taxes collected by the Department of Public Safety and Corrections, Public Safety Services. The audit covers the period from January 1, 1996, to December 31, 1996, and includes a schedule of amounts disbursed to each taxing body based on collections made by Public Safety Services. The audit also includes a report on the internal control structure of the department relative to the collection and distribution of sales and use taxes and the department's compliance with laws and regulations.

The report has been distributed in accordance with state law. If you would like a copy of this report mailed to you, please contact the file room at our office in Baton Rouge at (504) 339-3822.

Sincerely,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DGK/dl

[VEHTAX]